



State of Arizona  
Department of Education

## Empowerment Scholarship Account (ESA) Program Changes

The legislature has been busy and passed two bills that alter the ESA program. The following are a list of those changes:

**HB2458** - Outlines specific policies that the Arizona Department of Education (ADE) can adopt in order to administer an Empowerment Scholarship Account (ESA) and monitor fraudulent activity.

- Removes 529 college savings plans from the list of approved expenditures and replaces it with a [Coverdell Education Savings Account](#). (*Deposit into a 529 savings plan will be available only until 9.13.2013*)
- Specifies that ADE can remove any parent or qualified student from ESA eligibility if the parent or student fails to comply with the terms of the contract, applicable laws, rules or orders.
- Requires The Arizona Department of Education (ADE) to do all of the following before removing a parent from the ESA program:
  - Contact The Treasurer's Office
  - Contact the Parent in writing
  - Freeze the parent's ESA account for 10 workdays
  - Allows the parent or student 10 workdays to respond and take corrective action. If this timeline is not met, ADE is then allowed to remove the parent or student from the ESA
- Outlines additional policies for ADE to monitor fraudulent activity.

**SB1363**- Expands Empowerment Scholarship Account (ESA) eligibility and funding.

- Expands the definition of *qualified student* to include kindergarteners. (students entering kindergarten are not required to meet the 100 day requirement).
- Adds additional assistance funding to every ESA account holder. (All qualified students, in the 2014-2015 contract year, will see an increase in award amounts).
- Caps the amount of students who may receive an ESA scholarship to 5,480 beginning in 2014-2015. (More details to come in the ESA handbook).

